

**From:** Copeland, Anthony M  
**To:** Eudy, Ken  
**Subject:** Fwd: [External] ACP  
**Date:** Wednesday, November 1, 2017 7:21:01 PM

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Anthony M. Copeland  
Secretary  
North Carolina Department of Commerce

Begin forwarded message:

**Resent-From:**  
<SRS0=hDI8=B7=sgcdesignbuild.com=durwood@securrence.com>  
**From:** Durwood Stephenson <Durwood@sgcdesignbuild.com>  
**Date:** November 1, 2017 at 2:44:28 PM EDT  
**To:** Rosemary Wyche <Rosemary@eandvgroup.com>,  
<bruce.c.mckay@dominionenergy.com>  
**Cc:** <larry.wooten@ncfb.org>, <Tolson.Norris@GMail.com>,  
<acopeland@nccommerce.com>  
**Subject:** [External] ACP

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TO: Rosemary Wyche  
Bruce McKay

FROM: M. Durwood Stephenson

DATE: November 1, 2017

RE: ACP

I am committed this AM, but did get your phone message from last night and will return the call later today.

Farm Bureau President, Larry Wooten and I did have a lengthy telephone conversation yesterday afternoon. We remain committed supporters of the pipeline, but do have some caveats from recent conversations.

Certainly, we recognize this is a high-pressure line that cannot be assessed by local property owners trespassed by the pipeline easement. However, it is our understanding and belief from our research and many conversations that taps will be

available to gas distributors that will increase natural gas supply and availability to consumers in our region. I understand stations have been designated along the route including Smithfield that permits access by distributors and ultimately consumers. I believe it is important for ACP Owners and support groups to identify planned distribution access locations and a projected schedule for distribution access. President Wooten and I do not believe we can wait 10 or more years to have gas availability in Eastern North Carolina: Our farmers cannot be competitive with propane vs natural gas and manufacturers or businesses will not locate here at a known energy cost disadvantage.

Our local business park has lost 2 large prospects because of the gas issue and I am aware of 2 other prospects to the north and east that would not consider Eastern North Carolina as a potential site because of the absence of gas.

Eastern North Carolina is a region in economic decline for want of necessary infrastructure to be economically competitive. Our region must have affordable energy (natural gas), broad band and road connectivity to goods, products and services in order to advance economically.

I am hopeful you can reassure us, your supporters, that natural gas will be available in a reasonable time period for distribution to consumers and economic development prospects.

We in Eastern North Carolina, consider ourselves strong advocates for protecting our environment and have carefully evaluated the benefits vs. the risk to environment and believe the risk is minimal but the benefits are great.

Although I certainly do not speak for the Governor nor his Administration, I do believe he will support allowing the professional permitting staff to perform their due diligence and ultimately make a decision that benefits the citizens and residents of our region with minimal environmental impact. It is unfair to the Governor and unreasonable as suggested by Rachel Carson Council to pressure the Governor to deny permitting without due process. I do not believe he will follow that course.

As for President Wooten and I we remain committed unless and/or until there is irrefutable evidence that contradicts our belief and understanding of the process and the need.

Thank you and please contact me if you have questions, but yes Question 5 should have a stronger, more-definitive response.

cc: Larry Wooten  
Norris Tolson  
Tony Copeland

**M. Durwood Stephenson**  
**Stephenson General Contractors**  
**Post Office Box 1187**  
**Smithfield, North Carolina 27577**  
**Phone: 919-934-6651**  
**Fax: 919-934-4055**  
**Email: [Durwood@sgcdesignbuild.com](mailto:Durwood@sgcdesignbuild.com)**

**From:** Copeland, Anthony M  
**To:** Eudy, Ken  
**Subject:** Fwd: [External] RE: ACP  
**Date:** Saturday, November 4, 2017 12:59:00 PM  
**Attachments:** image001.png

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Anthony M. Copeland  
Secretary  
North Carolina Department of Commerce

Begin forwarded message:

**Resent-From:** <SRS0=n9Id=CB=duke-energy.com=david.fountain@securence.com>  
**From:** "Fountain, David" <David.Fountain@duke-energy.com>  
**Date:** November 3, 2017 at 7:14:23 PM EDT  
**To:** "Durwood@sgcdesignbuild.com" <Durwood@sgcdesignbuild.com>  
**Cc:** "larry.wooten@ncfb.org" <larry.wooten@ncfb.org>, "Tolson.Norris@GMail.com" <Tolson.Norris@GMail.com>, "acopeland@nccommerce.com" <acopeland@nccommerce.com>, "Yoho, Frank" <frank.yoho@piedmontng.com>, "Bruce C McKay (Services - 6)" <bruce.c.mckay@dom.com>  
**Subject:** [External] RE: ACP

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Durwood,

Bruce McKay shared your initial e-mail with me, along with his response yesterday. Thank you for your continued support of the Atlantic Coast Pipeline and its benefits, especially to eastern North Carolina.

Frank Yoho is the President of Piedmont Natural Gas (PNG). Frank and I, along with others on the Duke/PNG team, will be glad to meet with you to talk more about the issues that you've raised regarding local gas distribution off of ACP. Others copied on your e-mail are also welcome to participate. Please let us know a few convenient dates and times and we'll get it scheduled.

Thanks again for your support, and I hope you have a good weekend.

David

**David B. Fountain**

North Carolina President

Duke Energy | 410 South Wilmington St. | Mail Code: NCRH-12 | Raleigh, NC 27601  
o: 919.546.6164 | f: 919.546.3210 | [David.Fountain@duke-energy.com](mailto:David.Fountain@duke-energy.com)



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**From:** Bruce C McKay (Services - 6)  
**Sent:** Thursday, November 02, 2017 8:06 PM  
**To:** 'Durwood Stephenson'; Rosemary Wyche  
**Cc:** [larry.wooten@ncfb.org](mailto:larry.wooten@ncfb.org); [Tolson.Norris@GMail.com](mailto:Tolson.Norris@GMail.com); [acopeland@nccommerce.com](mailto:acopeland@nccommerce.com)  
**Subject:** RE: [External] ACP

Good evening Durwood,

Thank you for your email yesterday. And thank you especially for the opportunity to address the issue of local access to gas off the proposed Atlantic Coast Pipeline.

Secretary Copeland should expect to receive from David Fountain very soon a detailed description of how the company intends to use this new supply of gas to meet its projected growing demand for gas in Eastern North Carolina, both from existing customers as well as from those who will, because of ACP, have a greater chance of being reached by an expanded distribution system.

It is my understanding that because some of what Duke/PNG will share will include confidential business plans, it will not, in its entirety, be shared beyond government officials. However, I am very confident that what can be shared, at your convenience, will provide you the assurances you need to continue your strong advocacy in support of the project.

In broad terms, the ACP will initially be constructed with three interconnections to the PNG transmission and distribution system. Those interconnections are located near Smithfield, Fayetteville, and Pembroke; locations chosen by PNG as being the most important points for boosting their distribution network.

After ACP is operational in late 2019, should a large industrial customer seek gas directly from ACP in a location where a new tap and transmission line would be the

best solution, ACP and the PNG, or another relevant local gas utility, would work with that customer to help them access gas directly from the line per the open access rules of the Federal Energy Regulatory Commission. These process are spelled out in the attached "tap policy" adopted by the ACP project in 2014.

You also mentioned the important priority of reaching more farming operations. We understand this imperative. As has been discuss with Mr. Wooten and his staff on several occasions, ACP will bring with it new opportunities for PNG to reach more operators. I will leave it to PNG to elaborate further on this opportunity, though during our last meeting with the Farm Bureau we also discussed the potential for using new technologies to deliver liquefied natural gas and/or compressed natural gas to more remote farms.

The simple fact is that ACP will bring opportunities which don't exist today. Policymakers may be interested in exploring options such as tariff modifications to support expanded distribution, increased funding for the "Ag Gas" program administered by the Department of Commerce, targeted economic development funding to support system expansion, tax-exempt funding as was done in the past to extend natural gas to the coast, etc. All of these options can now be seriously considered because the gas supply will be there to support them, assuming the ACP is constructed.

Again, thank you for the opportunity to address this issue, and as I explained, a more detailed response in being developed for Secretary Copeland and others in Governor Cooper's Administration. We look forward to sharing the non-business confidential aspects of that plan with you and your associates at your convenience.

With best regards,

Bruce McKay  
Dominion Energy

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**From:** Durwood Stephenson [<mailto:Durwood@sgcdesignbuild.com>]  
**Sent:** Wednesday, November 01, 2017 2:45 PM  
**To:** Rosemary Wyche; Bruce C McKay (Services - 6)  
**Cc:** [larry.wooten@ncfb.org](mailto:larry.wooten@ncfb.org); [Tolson.Norris@GMail.com](mailto:Tolson.Norris@GMail.com); [acopeland@nccommerce.com](mailto:acopeland@nccommerce.com)  
**Subject:** [External] ACP

TO: Rosemary Wyche  
Bruce McKay

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DATE: November 1, 2017

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cc: Larry Wooten  
Norris Tolson  
Tony Copeland

**M. Durwood Stephenson**  
**Stephenson General Contractors**  
**Post Office Box 1187**  
**Smithfield, North Carolina 27577**  
**Phone: 919-934-6651**  
**Fax: 919-934-4055**  
**Email: [Durwood@sgcdesignbuild.com](mailto:Durwood@sgcdesignbuild.com)**

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**From:** [Fleetwood, Susan](#)  
**To:** [Eudy, Ken](#)  
**Cc:** [Copeland, Anthony M](#)  
**Subject:** Natural Gas  
**Date:** Wednesday, November 22, 2017 10:39:26 AM  
**Attachments:** [ACP and ED.docx](#)  
[image001.png](#)

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Ken,

Per the Secretary's voicemail, attached please find a few draft ideas for discussion.

Please let us know when you'd like to discuss further.

Thanks,  
Susan

**Susan Fleetwood**  
Executive Director of Economic Development  
North Carolina Department of Commerce

919 814 4605 office  
919 218 1893 mobile  
[sfleetwood@nccommerce.com](mailto:sfleetwood@nccommerce.com)

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## **Ensuring the Atlantic Coast Pipeline Facilitates Economic Development Opportunities**

### **Clarify Impact of Natural Gas Availability**

- Confirm the dekatherms already committed, amount of firm capacity left, and the average number of industrial users that can be served with the remaining capacity

### **Aggressively Market to Existing Companies**

- Partner on resources to identify existing companies that might benefit from access to natural gas

### **Incent Existing Companies to Utilize Natural Gas to Support Growth**

- Gas companies require a contract to provide service and construct infrastructure, which may be cost prohibitive to companies
- Utilize fund to subsidize company's gas bill for a negotiated period of time at a scaling rate, so that the company is able to get access to gas at a more reasonable rate and grow its operations

### **Support Proactive Development of Natural Gas Infrastructure**

- Gas distribution companies face barriers (shareholder and rate-related) to installing infrastructure where no customer currently exists; this puts communities with industrial sites business parks without distribution gas lines at a competitive disadvantage
- Work together to eliminate those barriers and create a mechanism for "dark" infrastructure to be constructed to sites with the best opportunity for future development

### **Identify Most Likely Locations of Future Direct Access to Pipeline**

- Fayetteville, Pembroke and Smithfield have been identified as the first of three interconnects, due to market potential
- Provide information on the next three most likely interconnect locations to help focus efforts to find existing and new customers

**From:** [Fleetwood, Susan](#)  
**To:** [Eudy, Ken](#)  
**Cc:** [Copeland, Anthony M](#)  
**Subject:** Natural Gas Bullets  
**Date:** Monday, November 27, 2017 4:57:07 PM  
**Attachments:** [ACP and ED w notes.docx](#)  
[ACP and ED.docx](#)  
[Data Request Letter \(State Govt\)- READ ME.PDF](#)  
[GASLines w ACP.pdf](#)  
[image002.png](#)

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Ken,

The Secretary asked that I forward along the following:

1. High level overview of potential areas of discussion (can be distributed at meeting if desired)
2. Same overview with some additional notes (not for distribution)
3. Map of ACP/gas transmission lines with counties and interstates/major highways and potential service gaps in red (this map does not show distribution lines, so these gaps are likely not as unserved as depicted, but gives an idea of potential areas of focus)
4. Letter outlining use of map data. Please note it is for internal government use only.

Please do not hesitate to let us know if you have questions or need additional details.

Thanks,  
Susan

**Susan Fleetwood**

Executive Director of Economic Development  
North Carolina Department of Commerce

919 814 4605 office  
919 218 1893 mobile  
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## **Ensuring the Atlantic Coast Pipeline Facilitates Economic Development Opportunities**

### **Clarify Impact of Natural Gas Availability**

- Confirm the dekatherms already committed, amount of firm capacity left, and the average number of industrial users that can be served with the remaining capacity
- *Will help to manage expectations about pipeline's impact and potential to increase the number of users that could be served; perhaps specific goals could be jointly set and publicized*

### **Aggressively Market to Existing Companies**

- Partner on resources to identify existing companies that might benefit from access to natural gas
- *Could include EDPNC existing industry team, natural gas business development representatives and others to share information to identify and connect with specific existing companies that may be good candidates for natural gas*

### **Incent Existing Companies to Utilize Natural Gas to Support Growth**

- Gas companies require a contract to provide service and construct infrastructure, which may be cost prohibitive to companies
- Utilize fund to subsidize company's gas bill for a negotiated period of time at a scaling rate, so that the company is able to get access to gas at a more reasonable rate and grow its operations
- *New concept for which mechanics would need to be developed, but could address challenges gas companies express with receiving funding to support infrastructure development (see below)*

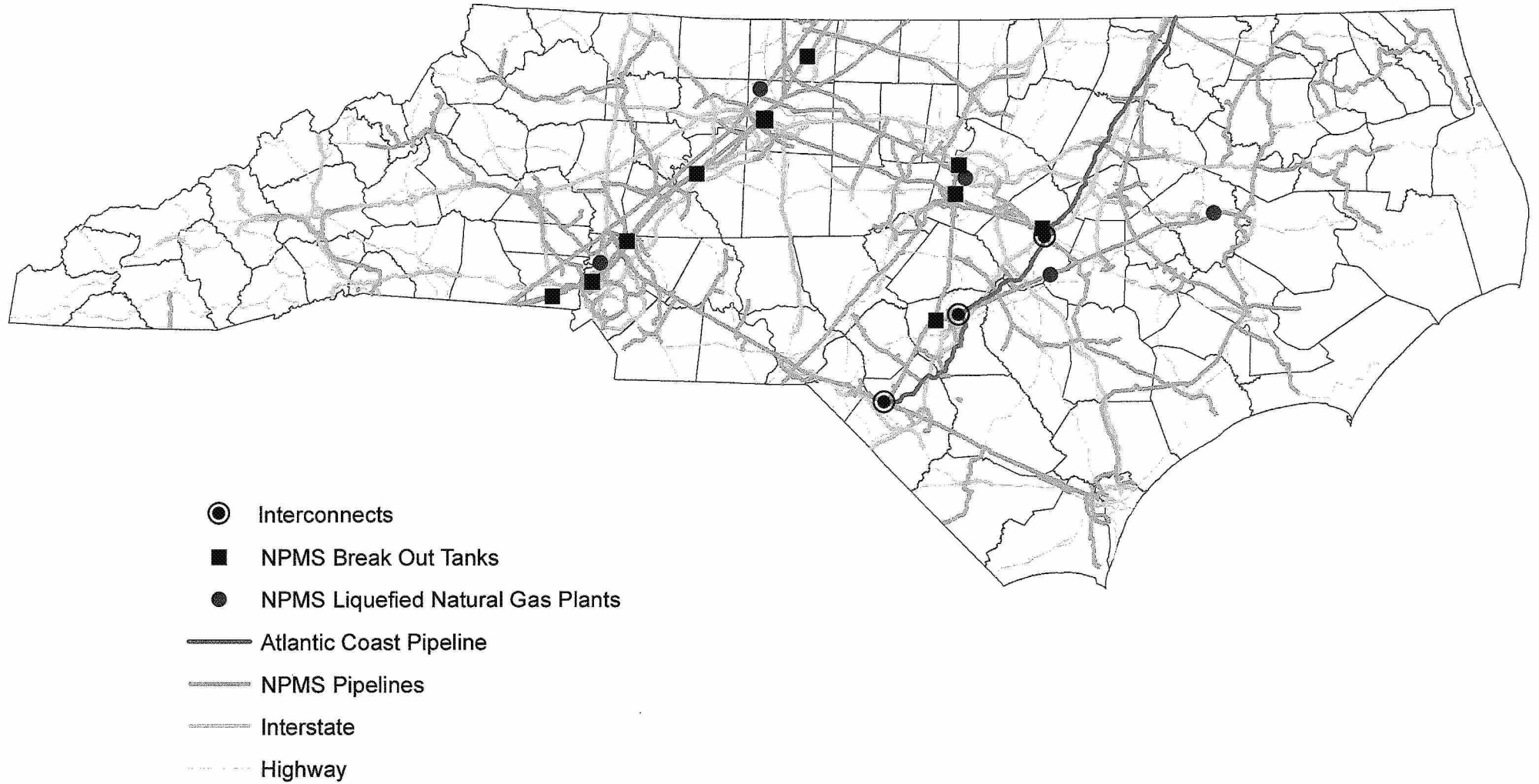
### **Support Proactive Development of Natural Gas Infrastructure**

- Gas distribution companies face barriers (shareholder and rate-related) to installing infrastructure where no customer currently exists; this puts communities with industrial sites business parks without distribution gas lines at a competitive disadvantage
- Work together to eliminate those barriers and create a mechanism for "dark" infrastructure to be constructed to sites with the best opportunity for future development
- *Gas companies typically not interested in receiving funding to construct gas lines because they must pay taxes on grant as "revenue" and are not able to invest in infrastructure without customer in place due to shareholder expectations*

### **Identify Most Likely Locations of Future Direct Access to Pipeline**

- Fayetteville, Pembroke and Smithfield have been identified as the first of three interconnects, due to market potential
- Provide information on the next three most likely interconnect locations to help focus efforts to find existing and new customers
- *Of the nine counties the pipeline will go through, three will currently have interconnects for gas distribution; it seems a logical next step to provide information on the location of future interconnects to better understand potential targeted areas for development*

# Natural Gas Infrastructure



**From:** Eudy, Ken  
**To:** Fleetwood, Susan  
**Subject:** ACP  
**Date:** Tuesday, November 28, 2017 10:32:00 AM

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According to the Bill Summary of SB 673, we have three funds for expansion of natural gas distribution:

- Industrial Development Fund Utility Account
- Site Infrastructure Development Fund
- Ag-Gas Fund

What kind of funds are in those accounts? Is it General Fund appropriations, or another source?

Thanks.

**Ken Eudy**  
**Senior Advisor to the Governor**  
**919.814.2110**